



# Commercial Load Management

## Standard Offer Program (CLMSOP)

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2020 Program Manual

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# CONTENTS

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- 1 Introduction ..... 3
- 2 Program Overview ..... 3
  - 2.1 Customer Eligibility ..... 3
  - 2.2 Eligible Sites ..... 4
  - 2.3 Participation Requirements ..... 4
    - 2.3.1 Curtailment Events ..... 4
  - 2.4 Incentives ..... 5
    - 2.4.1 Program Budget ..... 5
    - 2.4.2 Incentive Calculation ..... 5
    - 2.4.3 Incentive Adjustments for Overperformance ..... 6
    - 2.4.4 Incentive Limits ..... 6
- 3 Project Life Cycle ..... 7
  - 3.1 Submission Process ..... 7
    - 3.1.1 Creating and Submitting a Project ..... 7
    - 3.1.2 Scheduled Curtailment Event ..... 7
  - 3.2 Project Approval and Contracting ..... 8
  - 3.3 Summer Peak Period ..... 8
  - 3.4 Savings Report ..... 8
  - 3.5 Project Evaluation and Payment ..... 8
- 4 Important Program Dates and Deadlines ..... 8
- 5 How to Participate ..... 9
  - 5.1 Contractor Eligibility and Requirements ..... 9
    - 5.1.1 Contractor Application Criteria ..... 9
    - 5.1.2 Registering and Applying as a Service Provider ..... 9
  - 5.2 Termination of Program Addendums ..... 10
- 6 Program Resources ..... 10

# 1 INTRODUCTION

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Welcome to the 2020 Oncor Commercial Load Management Standard Offer Program (CLMSOP or the “program”). The CLMSOP offers incentives to energy efficiency service providers and aggregators (participants or service providers) that work with local commercial and manufacturing facilities to achieve documented summer, on-peak demand reductions in those facilities.

This program complies with the standard offer program requirements published by the Public Utility Commission of Texas (PUCT). This program manual is intended to inform service providers of the program requirements and processes. However, service providers should also review the PUCT rules related to energy efficiency programs and the requirements in the Texas Technical Reference Manual (TRM) for energy efficiency programs, and are required to comply with such rules and requirements.

This program manual summarizes program requirements, processes and incentives but may not address all scenarios. Oncor has full discretion to interpret or modify program requirements, and may revise the program manual at any time.

Visit the Oncor Energy Efficiency Program Management (EPM) tool, available at [eepm.oncor.com](http://eepm.oncor.com), to access additional registered service provider resources, including program applications and project documentation tools, as well as program rules and incentive budget updates.

We are here to help! If you have any questions after reading these materials, please don't hesitate to contact our program help desk at 1.866.258.1874 or [eepmsupport@oncor.com](mailto:eepmsupport@oncor.com).

# 2 PROGRAM OVERVIEW

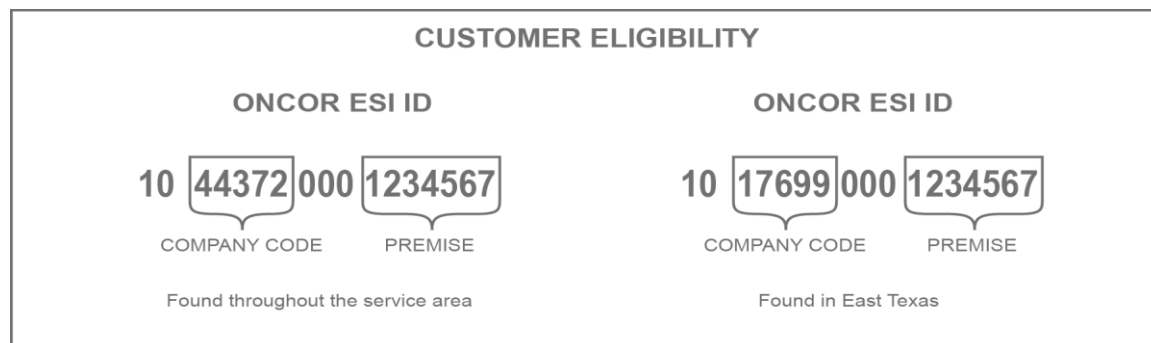
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The CLMSOP is designed to help businesses reduce their summer on-peak energy demand on the Oncor grid when needed and help meet state energy efficiency goals. Incentives are paid to commercial participants who curtail their facility electricity demand during a scheduled curtailment event, and during called curtailments throughout the summer peak period, which occurs between 1 p.m. Central Time (CT) and 7 p.m. CT from June 1, 2020, through September 30, 2020, excluding weekends and federal holidays.

## 2.1 Customer Eligibility

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To qualify for program incentives, a host customer must be a commercial customer that is served by Oncor and contributes to the Energy Efficiency Cost Recovery Fund. Each Oncor commercial customer will have a 17-digit premise number (ESIID). An ESIID should appear on a customer's electric bill and always start with “10.” For Oncor customers, the third through seventh digits will be either “44372” or “17699.” When entering project information in EPM, only the last seven digits of the ESIID are used as input.



## 2.2 Eligible Sites

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Eligible sites, or groups of eligible sites, must be able to curtail demand on short notice when requested by Oncor. Each project must achieve a total estimated demand savings of at least 100 kW during the summer on-peak demand period. Projects not meeting site, project or program requirements are subject to cancellation by Oncor.

The following loads are excluded from consideration for the program:

- Customers who have load contracted with a retail electric provider (REP) where that contract prevents the load from participating in a curtailment.
- Loads where curtailment would result in negative environmental or health effects.
- Curtailable load that receives an incentive through any other energy efficiency program. This can include programs offered via the Electric Reliability Council of Texas (ERCOT) or any other program that is currently available.
- Curtailable load that takes electric service at transmission voltage and serves a for-profit end-use customer.
- An industrial customer with curtailable load that takes electric service at distribution voltage and qualifies for the energy efficiency exemption pursuant to PUCT Substantive Rule 25.181(w).
- A commercial customer classified as manufacturing who has selected to opt-out from paying into the EECRF.

## 2.3 Participation Requirements

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### 2.3.1 Curtailment Events

Participants are expected to reduce their facility demand by the contracted amount when requested by Oncor during the summer peak period. With the exception of the scheduled curtailment event, curtailments will be called during or in anticipation of an ERCOT Energy Emergency Alert (EEA) Level 2 event, or to assure Oncor grid stability (grid emergencies). EEA Level 2 events are called to prevent rotating outages across the ERCOT grid, so it is imperative participants curtail their facility demand as contracted. Should a participant fail to curtail demand by at least 25% of the contracted demand during any hour of a called curtailment event, the participant forfeits their incentive payment.

#### **Scheduled Curtailment Event**

Each participant's contracted amount of demand savings will be established based on a three-hour scheduled curtailment event. The event normally takes place in May or June, and is designed to test the participant's ability to curtail demand by the requested amount. The contract amount will be based on the participant's average performance during the scheduled curtailment event. The contract amount will be used to calculate payment, should no called curtailment events be initiated during the summer peak period.

#### **Called Curtailment Events**

Called curtailment events are initiated during or in anticipation of grid emergencies. Oncor energy efficiency personnel will receive notification from Oncor's transmission and grid management organization that a grid emergency is imminent. Oncor energy efficiency personnel will then initiate a called curtailment event, and participants will be notified by automated text, email and telephone calls. The notification will include the start and end times of the event. Participants should receive notification of a called curtailment event at least 30 minutes prior to the start time of the event.

Participants should immediately begin reducing their demand by the contracted amount. Thirty minutes after notification, Oncor will begin measuring demand reduction and participant performance.

Oncor may initiate unlimited called curtailment events of 1 to 4 hours during the summer peak period, but in no case shall curtailment time for the program year exceed a total of 25 hours.

## 2.4 Incentives

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### 2.4.1 Program Budget

The incentive budget for the program is determined by Oncor and is based on the program demand savings goal. Funds are reserved for approved projects on a first-come, first-served basis until the program budget is exhausted. Oncor reserves the right to adjust the program incentive budget and goal at any time at its sole discretion.

The estimated program incentive budget and demand savings goal are as follows:

|                                  |             |
|----------------------------------|-------------|
| 2020 Program Incentive Budget    | \$2,100,000 |
| 2020 Program Demand Savings Goal | 60,000 kW   |

### 2.4.2 Incentive Calculation

Incentives are based on the average actual demand reduction achieved by the participant across all events during the summer peak period. If actual average demand savings are lower than the contracted amount, the incentive payment will be based on actual demand savings. If actual demand savings are higher than the contracted amount, the incentive payments will be capped at the contract amount.

The general formula for incentive calculation is as follows:

$$\text{Participant Incentive} = \text{Incentive Rate Payment} \times \text{Actual Demand Savings or Contract Amount (Lower of the Two)}$$

Incentives for the 2020 program are listed in the table below:

| Type of Incentive                           | Incentive Rate | Demand Savings to Reach Cap | Incentive Cap |
|---|----------------|-----------------------------|---------------|
| Demand Reduction for the Summer Peak Period | \$35/kW        | 12,000 kW                   | \$420,000     |

### Verification Process

Participant performance is verified by retrieving and analyzing actual 15-minute usage data from Oncor's advanced metering infrastructure (AMI) or interval data recorder (IDR) meters. If actual meter data is not available for a site during a scheduled or called curtailment event, including any associated baseline days, Oncor reserves the right to remove the site from the program.

Demand savings are calculated according to the following formula:

$$\text{Site Demand Savings} = \frac{\sum(\text{Baseline kW}_{\text{site}} - \text{Event kW}_{\text{site}})}{\text{Number of Events}}$$
$$\text{Actual Demand Savings} = \sum \text{Site Demand Savings by Project}$$

All demand reduction savings are calculated using PUCT-approved calculations defined in the TRM. For additional information, please refer to the TRM on the Oncor EEPM website [eepm.oncor.com](http://eepm.oncor.com).

### **2.4.3 Incentive Adjustments for Overperformance**

When available, Oncor may redistribute funds from underperforming contracts to participants whose average demand reduction across all events is higher than their contract amount. If there are no available funds due to underperformance, no redistribution will take place.

Funds made available due to other participants' underperformance will be distributed equitably across all participants who overperform, based on their contribution. Participants may still be subject to program incentive caps.

If funding becomes available, incentive adjustments for overperformance will be calculated as follows:

$$\text{Overperformance Rate (\$/kW)} = \frac{\text{Total Available Funds from Underperformance}}{\text{Total Additional kW saved due to Overperformance}}$$

$$\text{Overperforming Participant Payment} = \text{Overperformance Rate} \times \text{Participant Demand Savings Above Contracted Amount}$$

\*The overperformance rate shall not exceed the general program incentive rate.

Although the intent of the program is to distribute funds from underperforming contracts, Oncor reserves the right to retain funds based on program requirements. Oncor will notify participants about the availability of underperforming contract funds after all savings calculations are completed and verified.

### **2.4.4 Incentive Limits**

Participants and their affiliate companies are limited to 20% of the annual program budget, unless modified by Oncor management, and the total program incentives are capped. If the program reaches its program-wide incentive cap, individual participant incentives will be modified in proportion to demand savings achieved.

## 3 PROJECT LIFE CYCLE

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Participants may submit project applications only after applying to the program and executing an umbrella contract and CLMSOP addendum. See Section 5, “How to Participate,” for more information on joining the program as a participant.

Approved, registered participants will submit project applications and receive communications from the program via the Oncor website (EPPM), available at [eepm.oncor.com](http://eepm.oncor.com). All applications and supplemental documentation, if required, must be attached to the project under the “Attachment” tab.

### 3.1 Submission Process

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A CLMSOP project will progress through the following phases:

- Creation and submission of a project
- Scheduled curtailment event
- Project approval and contracting
- Summer peak period
- Savings report
- Project evaluation and payment

Below is an outline of the application process, from start to finish.

#### 3.1.1 *Creating and Submitting a Project*

Create your project(s) in EPPM, which will include the requested demand savings amount. The demand savings requested for each project should closely approximate the demand savings achieved across the project site(s) during a curtailment event.

Submit the project(s) on the project submittal open date in EPPM. All project submittals will be time-stamped and placed on a waiting list at the time of submittal. The EPPM-generated waiting list is used to assign the contracted amount of demand savings and associated incentives for your project. Participants can view their waitlist status in EPPM.

Once a project has been submitted, meters cannot be added to or removed from the project unless required by Oncor.

#### **Participant Contacts**

Participants must list project contacts to be notified for curtailment events. These contacts are listed in EPPM under the service provider’s profile in the “Employee” section. At a minimum, a primary and secondary contact must be listed to receive notification of a curtailment event during the summer peak period. Phone number(s), mobile phone number(s) and email address(es) should be provided to allow Oncor to communicate with the service provider concerning the program. Should the service provider need to change these contacts during the term of the project, it must provide the new contact and contact information to Oncor at least five business days prior to the date the new contact will take effect.

#### 3.1.2 *Scheduled Curtailment Event*

Participants will curtail demand during the scheduled curtailment event, typically scheduled during a three-hour period in May or June. Oncor will verify the participant’s demand savings from the scheduled curtailment event using the verification process described in Section 2.4.2, “Incentive Calculation.”

Participants who do not reduce their requested demand savings by at least 20% of demand during the scheduled curtailment event will not be eligible to participate in the program.

### 3.2 Project Approval and Contracting

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Projects will be approved based on the results of the scheduled curtailment event and project waiting list order until the program budget has been exhausted. Your contracted amount will be the lesser of:

- Requested demand savings amount entered during project creation, or
- Verified demand savings achieved during the scheduled curtailment event.

Oncor will send participants a reservation of funds agreement which must be signed and returned within two business days.

Oncor will then notify participants that they either have an approved contract or are not participating in the program. Participants who do not receive contracts are ineligible for any incentive payment for participation in the scheduled curtailment event.

Based on the program budget and other needs, Oncor reserves the right to adjust participant's requested amount of demand savings and incentives.

### 3.3 Summer Peak Period

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Participants with an approved contract shall reduce demand during called curtailment events when notified by Oncor. Oncor will verify demand savings from all called curtailment events.

### 3.4 Savings Report

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After the summer peak period, Oncor will calculate and pay the service providers with an approved contract for the verified demand savings achieved during called curtailment events.

### 3.5 Project Evaluation and Payment

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Oncor may reject or cancel a project for any reason in its sole discretion. Projects will be evaluated in the waiting list order. If the total program demand savings for the scheduled curtailment event exceeds the program goal, Oncor may proportionally award contract amounts to service providers at its sole discretion. Oncor may also raise or reduce the program budget at its sole discretion.

## 4 IMPORTANT PROGRAM DATES AND DEADLINES

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The schedule for the 2020 program will be provided on Oncor's Energy Efficiency Program website, [eepm.oncor.com](http://eepm.oncor.com). The program is scheduled to open in March or April for project creation, and projects may then be submitted on a date to be scheduled in April or May. Although participants may create and edit projects in EEPM, submittal will be disabled until the project submittal date. Participants are encouraged to have their program application approved by Oncor and their project(s) ready before the submittal date.

When EEPM opens for submittal, projects will be assigned to a waiting list based on the order they were received.



A scheduled curtailment event is scheduled to occur in May or June. During this event, all participants should curtail their facility demand by the savings requested in the submitted project. Participants selected for contract award will be notified and sign a reservation of funds agreement with Oncor.

After being approved for the program, participants will be able to begin preparing for curtailment events. Selected participants must be available for called curtailment events during the summer peak period. The summer peak period is the period of 1 p.m. CT to 7 p.m. CT on June 1, 2020, through September 30, 2020, excluding weekends and federal holidays.

Incentives are paid at the end of the summer peak period, within 45 days after demand savings are calculated and verified by Oncor.

## 5 HOW TO PARTICIPATE

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### 5.1 Contractor Eligibility and Requirements

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Each service provider must register in EEPM, enter into the umbrella contract, apply and be accepted to participate in CLMSOP, and execute the addendum with Oncor to participate in the program.

Proof of insurance is not required for this program.

#### 5.1.1 Contractor Application Criteria

Eligible service providers include national or local energy service companies, REPs or individual customers with aggregate peak demand of 50 kW or greater. A customer who wants to self-sponsor their project(s) should contact the program manager for specific eligibility requirements.

#### 5.1.2 Registering and Applying as a Service Provider

##### **Step 1: Register on the Contractor Portal**

The EEPM contractor portal can be accessed at [eepm.oncor.com](http://eepm.oncor.com). Click on “Sign Up or Learn More” at the bottom to read our agreement (also known as the umbrella contract). Then provide your company name and federal tax ID number and click “Next” to complete and submit your application. Oncor will review your application and, upon approval, provide you with a username and password for our EEPM system.

Once you receive your login and password, log into EEPM and complete your service provider profile.

##### **Step 2: Request Association with CLMSOP**

Request association with CLMSOP by contacting the EEPM help desk at 866-258-1874 or [eepmsupport@oncor.com](mailto:eepmsupport@oncor.com).

### Step 3: Complete Program Application and Sign Program Addendum

Complete a program application and sign the program addendum. The program addendum must be attached under the “Attachment” tab when the application is submitted online through EEPM. The program addendum does not in any way guarantee the service provider funding during the program year and does not in any way obligate Oncor to the program. After the program application is approved by Oncor, projects can be entered in EEPM and submitted to Oncor.

Oncor will not entertain proposed modifications to the standard offer program addendum unless unique circumstances merit and require revision at the sole discretion of Oncor. Applicants are urged to review the sample program addendum prior to submitting a project application.

If Oncor approves a program application, it will execute the addendum, if applicable, and attach a copy to the “Service Provider Documents” tab. Once the program application is approved by Oncor, projects can be submitted for approval via EEPM.

## 5.2 Termination of Program Addendums

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Oncor may terminate any or all program addendums, in whole or in part, at any time in its sole discretion, by providing written notice of termination to the service provider. The notice of termination will specify the effective date of any termination and that the program addendum is terminated in its entirety.

Oncor may refuse a service provider the opportunity to complete an addendum in the CLMSOP for any reason in Oncor’s sole discretion, including based on the service provider’s prior participation in the program or any other energy efficiency program offered by Oncor or another utility sponsor. Please refer to the umbrella contract and program addendum for actual termination provisions. Please note this section is only a summary of certain terms in the umbrella contract and program addendum, and the terms of the actual umbrella contract and program addendum supersede and control over this summary in the event of any conflict.

## 6 PROGRAM RESOURCES

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Below are additional resources for service providers:

- EEPM service provider portal: [eepm-support@oncor.com](mailto:eepm-support@oncor.com)
- Customer website: [www.takealoadofftexas.com](http://www.takealoadofftexas.com)
- EEPM Help Desk: [support@eepm.com](mailto:support@eepm.com) or 866-258-1874
- EEPM Insurance: [eepminsurance@oncor.com](mailto:eepminsurance@oncor.com) or 866-258-1874
- PUCT electric substantive rules:  
[www.puc.texas.gov/agency/ruleslaws/subrules/electric/Electric.aspx](http://www.puc.texas.gov/agency/ruleslaws/subrules/electric/Electric.aspx)
- Texas TRM: [www.texasefficiency.com/index.php/emv](http://www.texasefficiency.com/index.php/emv)
- Electric Reliability Council of Texas (ERCOT): [www.ercot.com/](http://www.ercot.com/)
- Umbrella Contract
- CLMSOP Program Addendum
- Reservation of Funds Agreement
- Insurance Requirements
- Oncor Core Values